

Message Text

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PAGE 01 NOUAKC 00298 141347Z

42

ACTION AF-06

INFO OCT-01 ISO-00 EB-07 SS-15 SP-02 L-02 INR-07 IGA-01

/041 W

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R 141205Z FEB 75

FM AMEMBASSY NOUAKCHOTT

TO SECSTATE WASHDC 3380

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E.O. 11652: N/A

TAGS: EFIN EIND MR US

SUBJECT: FINANCING FOR LANG/PRITCHARD SUGAR REFINERY

REF: NOUAKCHOTT 2008

1. UNDER COVER OF FOREIGN MINISTRY NOTE DATED FEBRUARY 12, EMBASY RECEIVED COPY OF LENGTHY LETTER (IN FRENCH) FROM MAURITANIAN MINISTER OF PLAN AND INDUSTRIAL DEVELOPMENT, SIDI OULD CHEIKH ABDALLAHI, TO EXIM PRESIDENT CASEY. FIRST PART OF LETTER REVIEWS HISTORY OF GIRM DISCUSSIONS WITH EXIM FOR FINANCING OF SUGAR REFINERY AT NOUAKCHOTT.

2. FOLLOWING IS UNOFFICIAL TRANSLATION OF THREE CONCLUDING OPERATIVE PARAGRAPHS: QUOTE IN VIEW OF THE PRECEDING, I HAVE THE HONOR OF ASKING YOU FOR THE REASNS WHICH HAVE, UP TO THE PRESENT, PREVENTED THE EXTENDING OF EXIM CREDITS UNDER THE TERMS OF THE CONVENTION SIGNED ON APRIL 17, 1974. I DRAW YOUR ATTENTION TO THE FACT THAT CONSTRUCTION IS EXPECTED TO BE COMPLETED BY SEPTEMBER 1976. IN VIEW OF THIS SITUATION, YOU WILL AGREE WITH ME THAT TERMINATION OF FINANCING WOULD BE CATASTROPHIC FOR THE FUTURE OF THE PROJECT. CONSEQUENTLY, WE MUST MAKE ALL NECESSARY ARRANGEMENTS SO THAT THE FINANCING OF THIS PROJECT CAN BE DONE CORRECTLY AND IN DUE TIME. THUS WE MUST KNOW
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QUICKLY WHAT EXIM PLANS TO DO AS CONCERNS ITS OBLIGATIONS

UNDER THE AGREEMENT SIGNED WITH THE GOVERNMENT OF MAURITANIA
ON APRIL 17, 1974.

I HAVE LEARNED FROM UNOFFICIAL SOURCES THAT, FOR
TECHNICAL REASONS AND THOSE RELATING TO THE VIABILITY
OF THE PROJECT, EXIM MIGHT RENOUNCE THE CREDIT GRANTED
UNDER THE AGREEMENT. I WOULD LIKE, FOR MY PART, TO AFFIRM
TO YOU THAT THERE HAS BEEN NO MODIFICATION IN THE ORIGINAL
PLAN. ON THE FINANCIAL SIDE, A PRICE INCREASE OF ABOUT
23 PERCENT HAS TAKEN PLACE AND THERE WILL PROBABLY BE
ANOTHER INCREASE DURING THE FIRST QUARTER OF 1975. BUT
I WISH TO EMPHASIZE THAT THE MAURITANIAN GOVERNMENT IS
ABLE TO MEET THIS INCREASE WITHOUT DIFFICULTY.

THEREFORE, THE GOVERNMENT HAS HONORED ITS COMMITMENTS
UNDER THE CREDIT AGREEMENT OF APRIL 17, 1974. CONSTRUCTION
OF THE FACTORY HAS BEGUN. THE EQUIPMENT IS EN ROUTE TO
MAURITANIA. IN VIEW OF THIS SITUATION, WE MUST KNOW
CLEARLY AND DEFINITELY WHAT EXIM INTENDS TO DO ABOUT
THE GRANT OF CREDIT FORSEE IN THE AGREEMENT CITED ABOVE.
UNQUOTE

3. TEXTS OF LETTER AND FOREIGN MINISTRY NOTE ARE
BEING POUCHED TO AF/W.

4. COMMENT: REQUEST STATE URGE EXIM TO DEAL WITH THIS
QUESTION ONCE AND FOR ALL. DEFINITIVE NEGATIVE RESPONSE
WOULD EVEN BE BETTER THAN PRESENT SITUATION. SHOULD REPLY
BE NEGATIVE, HOWEVER, WE UNDERSTAND GIRM MAY OBJECT TO
CONTINUED PAYMENT OF EXIM SERVICE CHARGE. SHINN

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Message Attributes

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Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: SUGAR, REFINERIES, LOANS
Control Number: n/a
Copy: SINGLE
Draft Date: 14 FEB 1975
Decaption Date: 28 MAY 2004
Decaption Note: 25 YEAR REVIEW
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Disposition Approved on Date:
Disposition Authority: greeneet
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
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Margaret P. Grafeld
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